

Maine Revised Statutes
Title 9-B: FINANCIAL INSTITUTIONS
Chapter 41: GENERAL POWERS

§419. INVESTMENT POWERS

1. Investment and equity securities. A financial institution is authorized to purchase, sell, underwrite and hold investment securities and equity securities, consistent with safe and sound banking practices. For purposes of this section, the term "investment securities" includes credit instruments such as commercial paper, banker's acceptances, certificates of deposit, repurchase agreements and overnight federal funds, in addition to marketable obligations in the form of bonds, notes, debentures or other similar instruments that are commonly regarded as investment securities. A financial institution's holding of equity securities is limited to 100% of its total capital unless a higher limit is authorized by the superintendent. The purchase of speculative securities or equities is prohibited, except that a financial institution may make venture capital investments up to 20% of the institution's total capital unless a higher limit is authorized by the superintendent.

[1997, c. 398, Pt. I, §10 (NEW) .]

2. Written investment policy. A financial institution's governing body shall establish a written investment policy, which it shall review and ratify at least annually, that addresses, at a minimum, the following:

- A. Investment quality parameters; [1997, c. 398, Pt. I, §10 (NEW) .]
- B. Investment mix and diversification; [1997, c. 398, Pt. I, §10 (NEW) .]
- C. Investment maturities; and [1997, c. 398, Pt. I, §10 (NEW) .]
- D. Delegation of authority to officers and committees responsible for administering the portfolio. [1997, c. 398, Pt. I, §10 (NEW) .]

[1997, c. 398, Pt. I, §10 (NEW) .]

SECTION HISTORY

1997, c. 398, §110 (NEW).

The State of Maine claims a copyright in its codified statutes. If you intend to republish this material, we require that you include the following disclaimer in your publication:

All copyrights and other rights to statutory text are reserved by the State of Maine. The text included in this publication reflects changes made through the Second Regular Session of the 126th Maine Legislature and is current through August 1, 2014. The text is subject to change without notice. It is a version that has not been officially certified by the Secretary of State. Refer to the Maine Revised Statutes Annotated and supplements for certified text.

The Office of the Revisor of Statutes also requests that you send us one copy of any statutory publication you may produce. Our goal is not to restrict publishing activity, but to keep track of who is publishing what, to identify any needless duplication and to preserve the State's copyright rights.

PLEASE NOTE: The Revisor's Office cannot perform research for or provide legal advice or interpretation of Maine law to the public. If you need legal assistance, please contact a qualified attorney.